

## Message Text

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ACTION ARA-14

INFO OCT-01 ISO-00 AID-05 AGRE-00 EB-08 IO-13 FDRE-00  
TRSE-00 COME-00 OES-09 CIAE-00 DODE-00 INR-10  
NSAE-00 PA-01 SP-02 NSCE-00 SSO-00 ICAE-00  
INRE-00 /063 W

-----046329 311615Z /44

O 311525Z AUG 78  
FM AMEMBASSY SANTO DOMINGO  
TO SECSTATE WASHDC IMMEDIATE 5889

LIMITED OFFICIAL USE SANTO DOMINGO 4807

FOR ARA/CAR AND US DEPT. AGRICULTURE FOR FAS/OGSM/CEP/STEPHENS

E.O. 11652: N/A  
TAGS: EAGR, DR  
SUBJECT: STATUS OF PL-480 AND CCC WITH THE GODR

REF: (A) SANTO DOMINGO 0942, (B) SANTO DOMINGO 3629, (C) SANTO  
DOMINGO 3930, (D) SANTO DOMINGO 4608, (E) FASTO 71,  
(F) TOFAS 79, (G) TOFAS 85

1. WE BELIEVE IT MAY BE USEFUL TO DEPARTMENT AND OTHER INTERESTED  
WASHINGTON AGENCIES TO SUMMARIZE THE STATUS OF PL-480/CCC REQUESTS  
TO DATE, AS WELL AS THE DISPOSITION OF THE CURRENTLY-AUTHORIZED  
THREE MILLION DOLLAR CCC SOYBEAN CREDIT.

2. ORIGINAL GODR REQUEST FOR ECONOMIC ASSISTANCE (PL-480 AND  
IMPLIED CCC CREDIT) FOR FY 1978 AND FY 1979 (REF A) AMOUNTING TO  
US 59.1 MILLION INDICATES THE DEPTH OF GODR CONCERN FOR THE PERIOD  
IMMEDIATELY AHEAD. THIS CONCERN WAS UNDERScoreD BY PRESIDENT  
GUZMAN'S RECENT LETTER TO PRESIDENT CARTER (REF D). EMBASSY HAD  
ADVISED GODR OF USG'S INABILITY TO PROVIDE US 16.6 MILLION IN  
PL-480 REQUESTED IN FY 1978. GODR REQUESTS FOR FY 1979 WAS US  
42.5 MILLION PL-480. OUR ANALYSIS (REF B) INDICATED THAT ON THE  
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BASIS OF NORMAL MARKETING REQUIREMENTS APPLIED TO COMMODITIES  
REQUESTED BY GODR, 11-12 MILLION UNDER PL-480 COULD BE JUSTIFIED.  
WE ALSO NOTED IN REFTel (B) THAT A DECREASED FOREIGN EXCHANGE  
AVAILABILITY RESULTING FROM CONTINUING LOW WORLD  
PRICES OF DR'S EXPORT COMMODITIES (E.G., SUGAR, COFFEE) COULD  
JUSTIFY AS MUCH AS US 20 MILLION UNDER PL-480.

3. EMBASSY BELIEVES THAT A CCC PROGRAM IN THE AMOUNT OF US 22 MILLION WILL BE ECESSARY TO MAINTAIN AND STIMULATE US EXPORTS SALES TO DR, SINCE GOVERNMENT DOES NOT HAVE SUFFICIENT RESOURCES OF ITS OWN TO COMPLETE THESE PURCHASES. WITHOUT SUCH CREDITS, GODR WILL HAVE TO LOOK ELSEWHERE FOR HELP AND THIS COULD RESULT IN A DECLINE IN OUR CURRENT SHARE OF TOTAL DOMINICAN MARKET (REF B). ADDITIONALLY, SINCE LAST EMBASSY ANALYSIS OF ECONOMIC SITUATION, AN OUTBREAK OF AFRICAN SWINE FEVER (ASF) HAS OCCURRED WHICH IS THREATENING TO DECIMATE THE DR'S THRIVING SWINE INDUSTRY. ALTHOUGH GODR HAS NOT YET SETTLED ON A FIRM PLAN OF ACTION TO COMBAT ASF DISASTER, COSTS TO ECONOMY WILL BE VERY HIGH (AS MUCH AS US 100-150 MILLION WITH TOTAL DEPOPULATION). IN THIS SITUATION, PL-480 AND CCC CREDIT PROGRAM WILL BE EVEN MORE IMPORTANT TO GODR IN MEETING ITS BASIC AGRICULTURA IMPORT NEEDS.

4. CURRENTLY, A US 3 MILLION CCC CREDIT LINE TO FIIRM OF PROTEINAS NACIONALES FOR SOYBEANS REMAINS UNUSED. OFFICIALS OF THIS FIRM HAD ENCOUNTERED PROBLEMS WITH CENTRAL BANK OFFICIALS OF THE PREVIOUS GOVERNMENT IN UTILIZING THIS LINE OF CREDIT. HOWEVER, IMMEDIATELY AFTER EMBASSY INFORMED NEW CENTRAL BANK OFFICIALS OF THIS PROBLEM, THEY CONTACTED PROTEINAS NACIONALES TO URGE THAT COMPANY PROCEED WITH TRANSACTION. WE DO NOT YET KNOW DETAILS OF BANK CONVERSATIONS WITH PROTEINAS NACIONALES, BUT LATTER CALLED US YESTERDAY LIMITED OFFICIAL USE

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(AUGUST 30) TO SAY THAT THEY WILL UTILIZE THIS CREDIT. HOWEVER, THEY WILL NEED EXTENSION OF TIME UNTIL MARCH 31, 1979. FIRM EXPECTS TO BEGIN SOYBEAN IMPORTATION WITHIN 60 DAYS. WITH POTENTIALLY FEWER SWINE IN DR, COMPANY OFFICIALS BELIEVE THEY WILL NEED UNTIL MARCH 31 TO COMPLETE ORDERLY COMMODITY PURCHASES. CONSIDERING THE OANY ECONOMIC PROBLEMS FACED BY THE DR, EMBASSY STRONGLY RECOMMENDS THAT NEW GODR BE GIVEN EVERY OPPORTUNITY TO UTILIZE THIS CREDIT SOURCE. WE WOULD APPRECIATE CONFIRMATION THAT CCC CREDIT LINE CAN BE EXTENDED THROUGH MARCH 1979 AS REQUESTED.

5. GODR IS KEENLY AWARE OF ARREARAGES PROBLEM, AND STRONGLY DESIRIOUS OF CLEANING ITS SLATE. TOP OFFICIALS IN GUZMAN ADMINISTRATION ARE FOCUSING ON DEBT SITUATION ON PRIORITY BASIS. WE ARE HOPEFUL THAT THESE GOOD INTENTIONS WILL RESULT IN POSITIVE ACTION IN THE VERY NEAR FUTURE.

6. AS DEPARTMENT CONTINUES TO REVIEW POSSIBLE PL-480 AND CCC ACTIONS, EMBASSY IS READY TO PROVIDE ANY ADDITIONAL INFORMATION WHICH MAY BE NEEDED.

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PL 480, ECONOMIC ASSISTANCE, FOOD ASSISTANCE, CREDIT AGREEMENTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 31 aug 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978SANTO04807  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
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**Message ID:** 2e1ba45c-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION ARA  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 78 SANTO DOMINGO 942, 78 SANTO DOMINGO 3629  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 05 may 2005  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** N/A  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 1638260  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** STATUS OF PL-480 AND CCC WITH THE GODR  
**TAGS:** EAGR, EAID, DR, US, CCC-1  
**To:** STATE  
**Type:** TE  
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**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
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20 Mar 2014  
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